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19 July 1958



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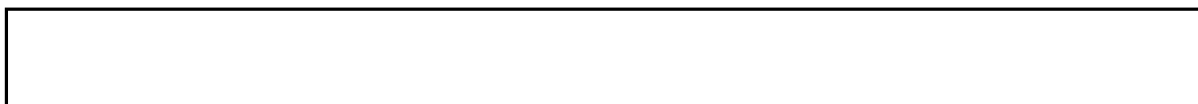
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CENTRAL INTELLIGENCE BULLETIN



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State Dept. review completed

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DAILY BRIEF

I. THE COMMUNIST BLOC

ND *USSR - Middle East: The USSR is concentrating on its campaign to make the maximum possible political capital from Western actions in the Middle East. Using unofficial diplomatic hints and plants in foreign capitals, Moscow has begun suggesting such possible counteractions as the injection of bloc volunteers into the Middle East in the event Western intervention is extended to Iraq or even if the American and British actions in Lebanon and Jordan continue. At the same time the USSR apparently intends to keep up demonstrations against American and British diplomatic installations and military missions in bloc countries. At present, these seem to be increasing in size and boldness. In addition Moscow has issued another cautiously worded government statement declaring that "the Soviet Union will not rest indifferent ... and will be compelled to take the necessary steps dictated by the interests of the Soviet Union's security." Closer Soviet collaboration with Egypt will probably result from the Khrushchev-Nasir talks in Moscow on 18 July. The Soviet Union has already recognized the new Iraqi regime, which in turn has emphasized a desire for "the further development" of close relations.

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Special Watch Report 415-A of the Intelligence Advisory Committee (Issued at 1830 EDT, 18 July 1958):

No

Based on an examination of circumstances relating to the Middle East situation, the Watch Committee of the Intelligence Advisory Committee concludes that:

A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.

NOTE: It is not believed that the USSR would intentionally resort to general war to expand or preserve its recent gains in the Middle East. It cannot be assumed, however, that the Kremlin will avoid all risk of war, and a Soviet miscalculation of the risks remains a possibility.

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B. No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the Orbit in the immediate future.

NOTE: There are indications of measures to increase the readiness of Soviet forces adjacent to the Middle East.

Announced maneuvers in Bulgaria, the Black Sea, and in the Transcaucasus and Turkestan Military Districts will have the effect of improving the combat readiness of Soviet forces in the area.

The maneuvers are also certainly intended to intimidate the West and its allies, particularly Turkey, to back up vigorous Soviet bloc diplomatic, propaganda, and "popular" demands for the withdrawal of US and UK forces from Lebanon and Jordan and to support strong Soviet declarations to restrain Western and Turkish interference with the new Iraqi regime.

C. Although critical tensions exist at a number of points in the Middle East, a deliberate initiation of open hostilities is unlikely in the immediate future.

NOTE: The arrival of UK troops in Jordan has, at least temporarily, restored some stability to the Jordanian regime and has put off the prospect of an Israeli occupation of the West Bank.

US forces in Lebanon are confronted with an increasing likelihood of clashes with Lebanese forces, rebel and Lebanese Army, and possibly also Syrian fedayeen.



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The Soviet Union, for its part, has re-established relations with Iraq and has acted to protect the new regime by strong and explicit warnings against Turkish or Western interference.

Collaboration between the UAR and the USSR has been intensified with Nassir's visit to Moscow and military consultations between Air Marshal Rudenko and Egyptian Commander in Chief Amer. [REDACTED]

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III. THE WEST

Nb Austria: Chancellor Raab's decision to accede to Soviet demands to attend no US Embassy functions during his 21-27 July visit to Moscow probably reflects Austrian desires not to jeopardize the prospects of obtaining economic concessions from the USSR. Vienna's complaints that American overflights to the Middle East had violated Austrian air space further emphasized Austria's position of formal neutrality.

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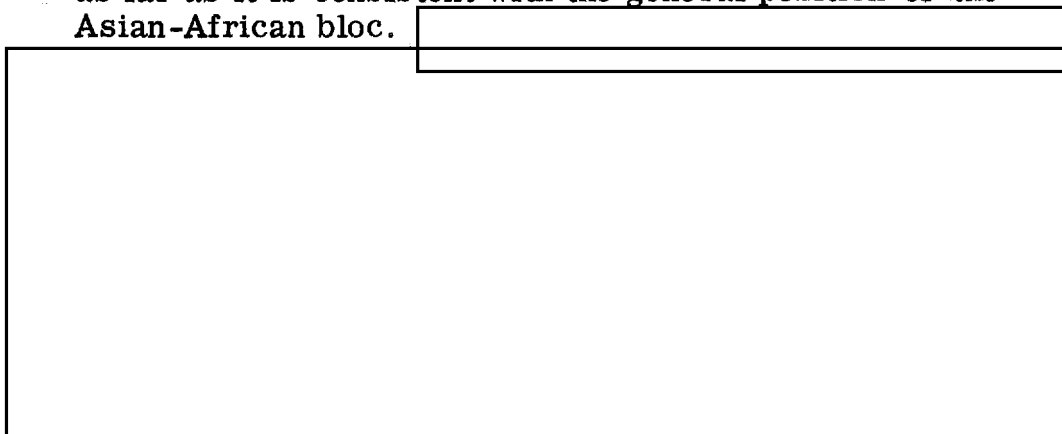
Nehru Considers Mediation Attempt in Middle East



The Indian Government officially stated on 18 July that US troops should be withdrawn from Lebanon. Its reiteration of New Delhi's established position "against intervention by foreign forces in any country" suggests the statement applies to British troops in Jordan as well. Contending that the presence of Indian UN observers in Lebanon would safeguard the Beirut government against infiltration across the frontiers, the statement added that the presence of US troops "is therefore not necessary." New Delhi suggested the UN observation group might be strengthened.



In contrast to the vehement reaction by the Indian press to American intervention in Lebanon, Nehru has so far refrained from strongly denouncing the action. In 1956 he immediately attacked the Anglo-French intervention in Suez. He can be expected, however, to support Nasir's position as far as it is consistent with the general position of the Asian-African bloc.



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III. THE WEST

Austria Concerned for Neutrality in Present Crisis

Austria's Chancellor Raab has decided to conform to officially stated Soviet wishes and avoid any functions at the US Embassy during his 21-27 July visit to Moscow. Foreign Minister Figl had previously assured Ambassador Matthews in Vienna of Austria's indignation at the "presumption" of the Soviet Government in making such a request, and the Austrian delegation had accepted a luncheon invitation for 27 July from Ambassador Thompson in Moscow. In view of the present Middle East crisis and American overflights of Austrian territory, which have occasioned public excitement but no formal protest from the Austrian Government, Raab is apparently eager to appease the USSR and avoid jeopardizing his prospects for obtaining economic concessions during his visit. According to Figl, however, there could hardly have been a worse time for the Moscow trip, and Ambassador Matthews has expressed considerable doubt whether Raab can withstand Soviet threats or blandishments.

Vice Chancellor Pittermann, a member of the Austrian Socialist party, which dislikes and distrusts Raab, has expressed a desire for an informal meeting with Ambassador Thompson, who was previously stationed in Vienna, before the Austrian delegation leaves Moscow. He has suggested meeting the ambassador at a Protestant church service in Moscow so as not to give the Russians any overt indication of a difference of views in the delegation.

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